



# African Growth and Opportunity Act

United States Embassy in South Africa

## AMERICA INVESTS IN SOUTH AFRICA

*"No nation in our time has entered the fast track of development without first opening up its economy to world markets. The African Growth and Opportunity Act (AGOA) is a road map for how the United States and Africa can tap the power of markets to improve the lives of our citizens."*

President George W. Bush,  
October 29, 2001



### WHY AGOA?

AGOA aims to expand trade and investment between the United States and sub-Saharan Africa by promoting free markets, economic reform and growth.

### WHAT IS AGOA?

- The African Growth and Opportunity Act (AGOA) is a law signed on May 18, 2000 that allows almost all products from eligible sub-Saharan African countries to enter the U.S. market duty-free. South Africa and 35 other countries currently qualify.
- AGOA adds more than 1,800 items to the list of eligible duty-free products. Combined with the benefits provided under the Generalized System of Preferences (GSP), this makes almost 6,500 products eligible for duty-free access into the United States.
- AGOA extends duty-free access until September 30, 2008, therefore giving more protection and assurance to investors.

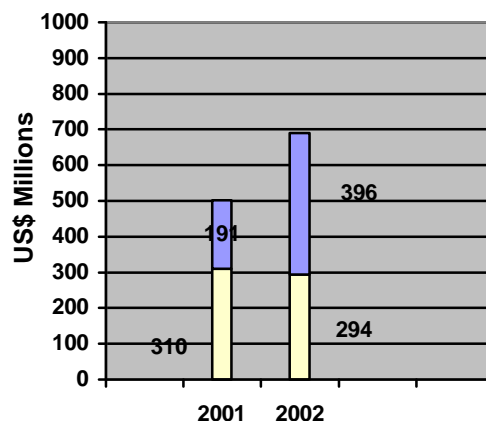
### WHAT IS THE U.S. MISSION DOING?

- We are working with the South African government, the business community and the press to publicize AGOA. The Mission is actively involved in outreach activities to educate and encourage exporters, including small business and historically disadvantaged businessmen and farmers, to take advantage of AGOA, thereby creating jobs for South Africans.
- We are encouraging U.S. investment in South Africa and fostering U.S.-SA business linkages. Increased exports of AGOA eligible products can lead to purchases of U.S. material or technology.

### GROWTH IN SOUTH AFRICAN DUTY FREE EXPORTS

The value of all South African AGOA exports, including GSP, for 2001 was US\$923 million (R9.2 billion). These exports reached \$690 million for the January-July 2002 period, an increase of 40% over the same period in 2001.

South African Duty Free Exports



■ GSP Exports    ■ AGOA Eligible Items

## United States Embassy in South Africa

### WHAT HAS HAPPENED?

- Total South African exports to the United States increased by 5.4 % during 2001, from US\$4.2 billion to \$4.4 billion.
- Growth in duty-free apparel exports has been particularly strong this year. The monthly average of about US\$4 million during 2001 grew to \$7 million during the first seven months of 2002.
- Exports under AGOA comprised 30% of total South African exports to the United States in the first seven months of 2002 compared to 18% for the same period in 2001.
- A study by Conningarth Economists indicated AGOA had a direct impact on over 19,000 jobs in South Africa in 2001.

### WHAT'S NEXT?

Apparel exporters can begin to take advantage of the expanded preferential access provided under "AGOA II," which President Bush signed on August 6, 2002. AGOA II enhancements include revisions requested by many sub-Saharan African countries, such as clarifying the inclusion of knit-to-shape garments for duty-free treatment. Following up on the U.S. Trade Representative's visit to South Africa in February 2002, the United States and the Southern African Customs Union (Botswana, Lesotho, Namibia, South Africa, and Swaziland) are exploring the possibility of a Free Trade Agreement.

### AGOA RELATED WEB SITES

#### US Trade Representative:

[www.ustr.gov/regions/africa/growth.shtml](http://www.ustr.gov/regions/africa/growth.shtml)

[www.agoa.gov](http://www.agoa.gov)

#### U.S. international Trade Commission

[dataweb.usitc.gov](http://dataweb.usitc.gov)

#### Department of Commerce:

[www.doc.gov](http://www.doc.gov)

#### Department of State – Bureau of African Affairs:

[www.state.gov/p/af/rt/agoa/2001/](http://www.state.gov/p/af/rt/agoa/2001/)

#### International Information Programs:

[www.usinfo.state.gov/regional/af/trade/](http://www.usinfo.state.gov/regional/af/trade/)

#### U.S. Customs Service

[www.customs.gov](http://www.customs.gov)

### EXAMPLES OF SOUTH AFRICAN AGOA EXPORTS TO U.S.

- Vehicles and Parts
- Apparel
- Flat-rolled iron and iron wire
- Tubes and pipes of iron and steel
- Fresh citrus and grapes
- Canned fruit and vegetables
- Wine and ethyl alcohol
- Essential oils of lemon
- Ice cream

### MAJOR SOUTH AFRICAN AGOA EXPORTS

JANUARY TO JULY 2002

